

56

FIFTEENTH —————
ANNUAL * —————
REPORT
**COULEE LEAD
AND ZINC MINES LIMITED**

REVIEW OF PERIOD
ENDED APRIL 30

1968

Board of Directors

E. P. McDONOUGH	- - - - -	TORONTO, ONT.
G. S. HORGAN, Q.C.	- - - - -	TORONTO, ONT.
BRIAN McDONOUGH	- - - - -	TORONTO, ONT.
J. P. JARVIS	- - - - -	TORONTO, ONT.

Executive Officers

E. P. McDONOUGH	- - - - -	President
G. S. HORGAN, Q.C.	- - - - -	Vice-President and Secretary-Treasurer

*Transfer Agents
and Registrar*

GUARANTY TRUST COMPANY OF CANADA

366 Bay Street	- - - - -	TORONTO, ONT.
610 St. James Street West	- - - - -	MONTRÉAL, QUE.

Auditors

NEFF, GOODWIN & CO.

347 Bay St.	- - - - -	TORONTO, ONT.
-------------	-----------	---------------

Head Office

55 YONGE STREET	- - - - -	TORONTO, ONT.
-----------------	-----------	---------------

Annual Meeting

FRIDAY, JUNE 28, 1968, 11 A.M.
(TORONTO TIME), Upper Canada Room
KING EDWARD SHERATON HOTEL, TORONTO

Coulee Lead and Zinc Mines Limited

Review of Period Ended April 30, 1968

To THE SHAREHOLDERS:

Your Directors take pleasure in submitting the fifteenth Annual Report for the period ending April 30, 1968.

Total current assets as of April 30, 1968, were \$366,202.63. Advances to Columbium Mining Products now total \$492,052.17.

Your Company's main exploration efforts the past year have been focussed on uranium. This has resulted in the staking of 256 mining claims in the Kenora Mining Division, northwestern Ontario.

A forty claim group located in Bridges Township has been optioned to Noranda Explorations Limited. Upon the expenditure of \$150,000 on or before August 10, 1969, Noranda can earn a 72% interest in the property. Coulee will retain a 28% non-assessable, constant, continuing interest. An extensive exploration program, consisting of magnetometer, electromagnetic, radioactive, geological and geochemical surveys, is nearing completion. Recent work has indicated base metal possibilities which will be investigated. Rock trenching and diamond drilling are expected to start shortly.

Coulee holds a 50% interest in 194 claims located in Docker Township, Kenora area, in association with North Coldstream Mines Limited (25%), and North Rankin Mines Ltd. (25%). This area is presently being prospected for uranium. A number of radioactive occurrences have been located which will warrant detailed examination.

The tight money situation and adverse market conditions have deterred efforts to finance Columbium Mining Products Ltd., in which your Company holds a 52% interest, to production. However, this situation is improving as recent reports indicate that the demand for Columbium is reaching new high levels.

Fourteen claims in Lapotardiere Township, Gaspé, and 138 claims in the Bathurst area, New Brunswick, were dropped.

Diamond drilling on Concession 34, County Tipperary, Ireland, in which Coulee holds a 12.5% interest was unsuccessful.

Your Company plans to maintain an active prospecting and exploration policy.

Respectfully submitted on behalf of the board,

E. P. McDONOUGH,
President.

Dated: June 6th, 1968.

COULEE LEAD AND

(Incorporated under)

Balance Sheet as at

ASSETS

CURRENT ASSETS:

	1968	1967
Cash	\$ 12,926.13	\$ 7,077.37
Accounts receivable	48,546.49	19,267.35
Marketable securities — at cost	304,730.01	498,079.71
(Quoted market value 1968 \$180,879.98) 1967 \$369,844.19)		
	366,202.63	524,424.43

Investment in Columbium Mining Products Limited

Capital stock —at cost	192,124.20	192,124.20
Advances	492,052.17	446,513.59
	684,176.37	638,637.79
Shares in other mining companies — at cost	35,972.84	35,972.84
Advances to other mining companies	21,613.27	21,443.27
	57,586.11	57,416.11
Mining properties— at cost	131,635.32	132,840.82
Deferred exploration expenditure	182,399.52	163,638.49
Equipment — at cost	16,455.81	15,745.22
Patent processes—50% interest—at cost	13,518.25	12,723.50
	\$ 1,451,974.01	\$ 1,545,426.36

See notes

AUDITORS' REPORT

We have examined the above balance sheet of Coulee Lead and Zinc Mines Limited as at April 30, 1968 and the statements of deficit, deferred exploration expenditure and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

TORONTO, Canada,
June 10, 1968.

ZINC MINES LIMITED

(*Under the laws of Ontario*)

At April 30, 1968

LIABILITIES		
CURRENT LIABILITIES:	1968	1967
Accounts payable	\$ 2,546.62	\$ 1,634.64
SHAREHOLDERS' EQUITY		
CAPITAL STOCK:		
Authorized: 5,000,000 shares of \$1.00 each		
Issued and fully paid: 4,286,505 shares	4,286,505.00	4,286,505.00
Add: Premium on shares	250,000.00	250,000.00
	4,536,505.00	4,536,505.00
Less: Discount on shares	2,860,200.00	2,860,200.00
	1,676,305.00	1,676,305.00
Deficit	226,877.61	132,513.28
	1,449,427.39	1,543,791.72

Approved on behalf of the Board:

E. P. McDONOUGH, Director.

G. S. HORGAN, Director.

\$ 1,451,974.01 \$ 1,545,426.36

ancial statement.

THE SHAREHOLDERS

In our opinion, these financial statements present fairly the financial position of the Company as at April 30, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

NEFF, GOODWIN & CO.,
Chartered Accountants.

Coulee Lead and Zinc Mines Limited

Notes to the Financial Statement April 30, 1968

1. MINING PROPERTIES:

Ontario:

40 unpatented mining claims in Bridges Township, Kenora Mining Division	\$ 2,000.00
22 unpatented mining claims in Langton Township, Kenora Mining Division	1,420.00
50% interest in 194 unpatented mining claims in Docker Township, Kenora Mining Division	3,402.50
25 unpatented mining claims in Thackery Township, Larder Lake Mining Division	2,500.00
30 patented mining claims in the Onoman River Area, Kowkash Mining Division	<u>116,501.18</u> \$125,823.68

New Brunswick:

Nepisiquit River — 41 mining claims in the Bathurst Area, Gloucester County	4,453.00
Tower Group — 25 mining claims in the Bathurst Area, Gloucester County	973.64 5,426.64

Ireland:

12½% interest in a prospecting license covering 3.5 square miles in the Silvermines Area, County Tipperary	385.00
	<u>\$131,635.32</u>

2. CONTINGENT LIABILITY:

The Company has guaranteed \$87,500.00 of a subsidiary company's bank loan.

3. DIRECTORS AND SENIOR OFFICERS REMUNERATION:

During the year ended April 30, 1968 the company paid \$29,350.00 in direct remuneration to directors and senior officers,

Coulee Lead and Zinc Mines Limited

Statement of Deficit

For the Year Ended April 30, 1968

	1968	1967
Balance, beginning of the year	<u>\$132,513.28</u>	<u>\$ 67,695.51</u>
<i>Add:</i> Administration expense:		
Office rent, salaries and services	27,864.99	26,836.41
Meetings and reports	1,586.93	1,309.62
Legal and audit fees	2,025.00	4,545.73
Transfer agency fees	1,397.31	1,705.12
Government fees and taxes	1,205.38	1,124.14
Directors' fees	550.00	450.00
	<u>34,629.61</u>	<u>35,971.02</u>
Engineering fees	3,000.00	3,000.00
Prospecting salaries and expenses	38,169.96	24,379.36
Acquisition costs and exploration expenditure on mining claims abandoned	32,301.06	16,064.59
Loss on sale of marketable securities	14,776.39	16,044.05
	<u>122,877.02</u>	<u>95,459.02</u>
<i>Less:</i> Interest and dividends	28,512.69	30,641.25
	<u>94,364.33</u>	<u>64,817.77</u>
Balance, end of the year	<u><u>\$226,877.61</u></u>	<u><u>\$132,513.28</u></u>

Coulee Lead and Zinc Mines Limited

Statement of Deferred Exploration Expenditure

For the Year Ended April 30, 1968

	Balance April 30, 1967	Expenditures During the Year	Balance April 30, 1968
KENORA CLAIMS:			
Geophysical surveys	\$ 12,827.42	\$ 12,827.42	
Salaries and wages	5,955.00	5,955.00	
Travel and transportation	4,347.32	4,347.32	
Supplies	4,287.14	4,287.14	
Consulting fees and expenses	2,607.00	2,607.00	
Equipment rental	1,824.50	1,824.50	
Licenses and fees	1,778.88	1,778.88	
Assaying	1,150.50	1,150.50	
Diamond drilling	935.00	935.00	
Sundry expense	346.59	346.59	
	36,059.35	36,059.35	36,059.35
REAUME TOWNSHIP CLAIMS:			
Geophysical surveys	3,454.30	3,454.30	
Salaries and wages	3,450.00	3,450.00	
Travel and transportation	2,316.58	2,316.58	
Line cutting	1,803.20	1,803.20	
Supplies	1,572.85	1,572.85	
Licenses, fees and taxes	686.95	686.95	
Consulting fees	309.26	309.26	
Sundry expense	282.31	282.31	
	13,875.45	13,875.45	13,875.45
NEW BRUNSWICK CLAIMS:			
Diamond drilling	56,726.20	56,726.20	
Salaries and wages	27,270.00	2,600.00	29,870.00
Geophysical surveys	11,662.02	426.96	12,088.98
Supplies	11,174.94	590.08	11,765.02
Consulting fees and expenses	7,219.65	500.00	7,719.65
Line cutting	7,042.50		7,042.50
Travel and transportation	4,198.57	271.56	4,470.13
Licenses, fees and taxes	5,053.00	(1,018.00)	4,035.00
Bulldozing	3,048.00		3,048.00
Equipment rental	1,832.20		1,832.00
Assaying	1,202.00		1,202.00
Insurance, compensation, etc.	192.06	141.50	333.56
Sundry expense	745.12	25.14	770.26
	137,366.26	3,537.24	140,903.50

Coulee Lead and Zinc Mines Limited

Statement of Deferred Exploration Expenditure (continued)

For the Year Ended April 30, 1968

	Balance April 30, 1967	Expenditures During the Year	Balance April 30, 1968
GASPE CLAIMS:			
Geophysical survey	6,172.20		6,172.20
Licenses, fees and taxes	1,000.00		1,000.00
Salaries and wages	345.00		345.00
Travel and transportation	325.65		325.65
Sundry expense	54.76		54.76
	<hr/> <u>7,897.61</u>		<hr/> <u>7,897.61</u>
IRISH CONCESSIONS:			
Consulting fees and expenses	\$ 1,826.65	\$	\$ 1,826.65
Diamond drilling	710.41	937.50	1,647.91
Assaying	629.46		629.46
Travel and transportation	540.00		540.00
Wages and salaries	517.35		517.35
Sundry expense	275.30		275.30
	<hr/> <u>4,499.17</u>	<hr/> <u>937.50</u>	<hr/> <u>5,436.67</u>
	<hr/> <u>\$163,638.49</u>	<hr/> <u>\$ 40,534.09</u>	<hr/> <u>\$204,172.58</u>
Less: Expenditures on mining claims abandoned:			
Reaume Township claims	\$ 13,875.45		
Gaspe claims	7,897.61	21,773.06	
Total exploration and development expenditure			<hr/> <u>\$182,399.52</u>

Coulee Lead and Zinc Mines Limited

Statement of Source and Application of Funds

For the Year Ended April 30, 1968

	1968	1967
SOURCE:		
Interest earned	\$ 28,512.69	\$ 30,641.25
Refund of Irish concession deposit		797.65
Sale of investments		1,000.00
	<u>28,512.69</u>	<u>32,438.90</u>
APPLICATION:		
Administration expense	34,629.61	35,971.02
Exploration expenditure	40,534.09	64,226.98
Engineering fees	3,000.00	3,000.00
Prospecting salaries and expenses	38,169.96	24,379.36
Acquisition cost of mining claims	9,322.50	528.00
Loss on sale of marketable securities	14,776.39	16,044.05
Advances to Columbium Mining Products Limited	45,538.58	64,267.43
Advances to other mining companies	170.00	2,010.69
Patent processes	794.75	808.50
Equipment	710.59	2,380.90
	<u>187,646.47</u>	<u>213,616.93</u>
Decrease in working capital	159,133.78	181,178.03
Working capital, beginning of the year	522,789.79	703,967.82
Working capital, end of the year	<u>\$363,656.01</u>	<u>\$522,789.79</u>

